

Message Text

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ACTION NEA-10

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R 140912Z MAY 75

FM AMCONSUL CASABLANCA

TO SECSTATE WASHDC 4120

INFO AMEMBASSY RABAT

AMEMBASSY DAKAR

AMEMBASSY TUNIS

AMCONSUL TANGIER

C O N F I D E N T I A L CASABLANCA 0523

E.O. 11652: GDS

TAGS: ELAB, MO

SUBJ: MOROCCAN BANK EMPLOYEES STRIKE

SUMMARY: A THREE DAY STRIKE BY 10,000 BANK EMPLOYEES FOR HIGHER WAGES AND FRINGE BENEFITS REPRESENTS LARGEST, COORDINATED STRIKE ACTION IN RECENT MONTHS. RAPIDLY RISING LIVING COSTS UNDOUBTEDLY AFFECTED UNION DEMANDS AND MAY EXPLAIN WHY UMT (MOROCCAN TRADE UNION FEDERATION) SECRETARY GENERAL, MAJOUB BEN SEDDIK, FAILED TO DISSUADE BANK EMPLOYEES FROM STRIKING A DEVELOPMENT WHICH COULD POINT TO WANING INFLUENCE OF UMT TO CONTROL STRIKE ACTIONS OF ITS AFFILIATES IN FACE OF RAPID INFLATION.

1. ABOUT 10,000 BANK EMPLOYEES ENGAGED IN THREE DAYS OF STRIKE APRIL 23 AND MAY 6 AND 7. ACCORDING TO THE LOCAL MANAGER OF FIRST NATIONAL CITY BANK, THE APRIL STRIKE WAS TRIGGERED WHEN GOM MINISTRY OF FINANCE RESPONDING TO A UNION REQUEST FOR A 300 PERCENT SALARY INCREASE AND AN EXTRA 30 MINUTES AT NOONTIME ON FRIDAY TO ATTEND MOSQUE SERVICES, CONFIDENTIAL

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AGREED TO THE LONGER LUNCH BREAK BUT TURNED DOWN THE

UNION'S WAGE DEMANDS. THE BANKS HAVE BEEN NEGOTIATING WITH THE UMT-CONTROLLED UNION THROUGH THEIR PROFESSIONAL BANKING ASSOCIATION, GROUPEMENT PROFESSIONNEL DES BANQUES DU MAROC (GPBM). THE GPBM ALSO TURNED DOWN A SECOND SET OF PROPOSALS PRESENTING INSTEAD A SERIES OF COUNTER-PROPOSALS WHICH PRECIPITATED THE TWO DAY STRIKE IN MAY.

2. UNION DEMANDS INCLUDE: (A) 65 PERCENT INCREASE IN BASE SALARIES; (B) INCREASE IN HOUSING ALLOWANCE FROM 200 TO 300 DIRHAMS (4.32 DIRHAM EQUALS \$US 1.00); (C) INCREASE OF 5 DAYS IN VACATION PAY; (D) INCREASE IN TRANSPORTATION ALLOWANCE FROM 80 TO 150 DIRHAMS; (E) DECREASE OF WORK WEEK TO 35 HOURS DURING SUMMER MONTHS; AN, (F) INCLUSION OF GOVERNMENT BANKING INSTITUTIONS IN GPBM (I.E. CIH, CREDIT POPULAIRE, AND THE BANK OF MOROCCO) WHICH WOULD SUBJECT THEIR EMPLOYEES TO UNION BARGAINING. 3. THE BANKERS COUNTERED WITH PACKAGE THAT INCLUDED: (A) 13 PERCENT INCREASE IN GLOBAL SALARY; (B) INCREASE IN HOUSING ALLOWANCE FROM 200 TO 250 DIRHAMS; (C) INCREASE IN TRANSPORTATION ALLOWANCE FROM 80 TO 100 DIRHAMS; (D) A TWO-HOUR AND 45 MINUTE NOONBREAK ON FRIDAY; (E) ONE MONTH VACATION FOR ALL EMPLOYEES. ALL OF THESE BENEFITS WOULD TAKE EFFECT ON MAY 1, 1976. 4. THE MANAGEMENT OFFER WAS BASED ON TWO CONSIDERATIONS; (A) COST OF LIVING INCREASES HAVE BEEN 14.4 PERCENT IN 1974, 7.8 PERCENT IN 1975 AND 2.2 PERCENT FOR JANUARY AND FEBRUARY 1976; AND (B) BANK EMPLOYEES HAD RECEIVED AN ACROSS-THE-BOARD INCREASE IN SALARY AND FRINGES OF 12 PERCENT IN 1974. IN PRESENTING THEIR COUNTER-PROPOSALS, THE BANKERS WARNED THE UNION BARGAINERS THAT MANAGEMENT'S COUNTER-OFFER EXCEEDED THE LIMITS LAID DOWN BY THE SECRETARY GENERAL OF THE MINISTRY OF FINANCE TO CONTROL INFLATION. ACCORDING TO CITIBANK MANAGER, THE BARGAINING SESSION WAS CALM AND BUSINESSLIKE WITH SOME BANK UNIONS SUCH AS EMPLOYEES OF THE QUASI-GOVERNMENT OWNED MOROCCAN BANK FOR FOREIGN COMMERCE (BMCE) INCLINED TO ACCEPT MANAGEMENT'S COUNTERPROPOSAL. HE ALSO NOTED THAT THE UMT CENTRAL HAD EXERCISED A MODERATING INFLUENCE OVER THE EXCESSIVE DEMANDS PUT FORTH BY SOME UNION LOCALS. A FINAL AGREEMENT HAS NOT YET BEEN ANNOUNCED. IN THE MEANTIME, BANK EMPLOYEES ARE BACK AT WORK. COMMENT: 5. THE CONSULATE LEARNED FROM A RELIABLE SOURCE THAT UMT LEADER, CONFIDENTIAL

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MAJOUB BEN SEDDIK MET WITH LOCAL LEADERS OF THE BANK UNION CENTRAL (SYNDICAT INTERBANCAIRE) IN CASABLANCA ON OR ABOUT APRIL 21, 1976 TO DISCUSS THE UNION'S INTENTION TO STRIKE ALL MOROCCAN BANKS WITH THE EXCEPTION OF THE BANK OF MOROCCO. (MOROCCAN LAW FORBIDS STRIKES AGAINST THE STATE BANK). HOWEVER, BANK UNION LEADERS WERE ADAMANT ABOUT HOLDING A STRIKE ON FRIDAY, APRIL 23, AND REFUSED BEN SIDDIK'S ENTREATIES TO POSTPONE THE STRIKE UNTIL SOME

FUTURE UNDETERMINED DATE. BEN SEDDIK'S ARGUMENT WAS THAT STRIKES AT THIS TIME BY UMT LOCAL SYNDICATS WOULD ONLY PROVOKE A CONFRONTATION WITH THE MOROCCAN GOVERNMENT WHICH THE UMT COULD NOT POSSIBLY WIN. AS ALREADY NOTED, WORKERS DEMANDS WERE STRICTLY ECONOMIC IN NATURE WITH POLITICAL QUESTIONS BEING PURPOSELY AVOIDED. THE STRIKE ACTION BY THE BANK UNION IS CONSIDERED A PERSONAL DEFEAT FOR BEN SEDDIK AND MAY INDICATE THAT SOARING LIVING COSTS IN THE FIRST FEW MONTHS OF 1976 ARE MAKING IT DIFFICULT FOR THE UMT TO CONTROL STRIKE ACTION BY UMT UNION AFFILIATES. IN FACT BEN SIDDIK HAS TOLD THE POLITICAL-LABOR OFFICER THAT MOST STRIKE ACTIONS ARE DECIDED BY THE LOCAL UNION BRANCH WITHOUT COORDINATION WITH UMT HEADQUARTERS. AT THE SETTLEMENT STAGE, UMT REPRESENTATIVES TYPICALLY STEPS IN TO ARRANGE A COMPROMISE. 6. CONCERN OVER THE REAL AND VERY SHARP INCREASE IN PRICES, PARTICULARLY FOR FOOD AND RENTS, HAS BEEN GROWING OVER THE PAST FEW MONTHS, TO THE POINT WHERE EVEN THE GOVERNMENT NEWSPAPER, LE MATIN, IS RUNNING EXTENSIVE ARTICLES DENOUNCING THE "PROFITEERS". THERE HAVE BEEN A NUMBER OF SPOT STRIKES BUT THE BANK STRIKE IS THE MOST SUBSTANTIAL MANIFESTATION THUS FAR OF REACTION TO THE RISING COST OF LIVING. BRUBECK

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